

*Analysis to Follow Agreement on "Generally Accepted Principles" by the International Working Group of Sovereign Wealth Funds*

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FOR IMMEDIATE RELEASE

**(Washington, D.C.)** U.S. Representative Luis V. Gutierrez (D-IL), Chairman of the Subcommittee on Domestic and International Monetary Policy, Trade and Technology, today announced he will hold a hearing to discuss investments by sovereign wealth funds in the United States, and the roles that these funds play in global markets and global politics.

This hearing will come just a week after members of the International Working Group of Sovereign Wealth Funds (IWG) announce a preliminary agreement on a draft set of principles and practices for recommendation to their respective governments. The Generally Accepted Principles and Practices for Sovereign Wealth Funds (GAPP) is a voluntary framework intended to guide appropriate governance and accountability arrangements, as well as the conduct of suitable investment practices by sovereign wealth funds.

The IWG, which consists of 26 of the state-owned funds, said it would present the guidelines to the International Monetary Fund's policy-setting committee on October 11, 2008.

**WHO:** Subcommittee on Domestic and International Monetary Policy, Trade and Technology

**WHAT:**

Hearing: Sovereign Wealth Funds: New Challenges from a Changing Landscape

**WHEN:** Wednesday, September 10, 2008, 2:00 p.m.

**WHERE:** Rayburn House Office Building, Room 2128

Sovereign wealth funds—investment funds owned by national governments—are the most visible source of foreign government investment in the United States at present.

These funds are increasingly making investments in U.S.-owned banks, private companies, equity funds, and real property, among other assets.

Over the past year, sovereign wealth funds have become increasingly active in U.S. markets, investing more than \$40 billion in Wall Street's biggest players. In addition to private investment, foreign government owned investment in the U.S. has also come through public pension funds, investments and purchases by state-owned firms, and through other investment vehicles.

“Over the last year, we have seen large investments by government funds in Citigroup, Morgan Stanley and Merrill Lynch,” said Rep. Gutierrez. “This hearing will provide an opportunity to closely examine the role and impact that these investments play in our economy, particularly in the financial services industry, as well as the potential need for increased transparency and ‘good governance’ principles.”

“This hearing is particularly timely, with the IMF and the OECD each taking more active roles in establishing the rules of the road for these huge investment vehicles. I believe the changes this Congress has made to CFIUS constitute strong steps toward protecting U.S. interests, while still encouraging foreign investment. Nonetheless, it is important that Congress remain on top of the issue, as strong players like China and Russia, with substantial funds to invest, may not always be motivated solely by profit.”

**Witnesses to testify:**

- Mr. Edwin M. Truman, Senior Fellow, The Peterson Institute for International Economics
- Mr. Brad W. Setser, Fellow for Geoeconomics, Council on Foreign Relations
- Dr. Daniel Drezner, PhD, Associate Professor of International Politics, Tufts University

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